

Annual Governance Statement 2021/22 (DRAFT)**Introduction**

Angus Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. The Council also has a statutory duty of Best Value under the Local Government in Scotland Act 2003. This means that it must plan to continuously improve its performance, while maintaining an appropriate balance between quality and cost. It must do this with regard to economy, efficiency and effectiveness.

To fulfil this duty, elected members and senior officers are responsible for putting in place arrangements to ensure that Angus Council has proper governance and that it delivers its functions. These include:

- setting the strategic direction, vision, culture and values of the Council;
- effective operation of corporate systems, processes and internal controls;
- engaging with communities;
- monitoring progress against strategic objectives;
- delivering services cost effectively; and
- ensuring that appropriate arrangements are in place for the management of risk.

To this end, the Council has approved and adopted a Local Code of Corporate Governance (the Local Code). This is consistent with the principles and recommendations of the Chartered Institute of Public Finance and Accountancy (CIPFA)/ the Society of Local Authority Chief Executives (SOLACE) framework, Delivering Good Governance in Local Government and the supporting guidance notes for Scottish Local Authorities.

The Local Code sets out the core principles of good governance and the key policies, procedures and structures which demonstrate Angus Council's compliance. It is also applicable in general terms to elected members and officers on external bodies. A copy of our **Local Code of Corporate Governance** is available on the Council's website.

This annual governance statement explains how the Council has complied with the terms of the Local Code for the year ended 31 March 2022. It also meets the requirements of the Local Authority Accounts (Scotland) Regulations 2014, which requires all relevant bodies to prepare an annual governance statement. The statement covers relevant governance issues as they affect those entities included as part of the Council's Group Accounts, reliance having been based on their respective governance statements and internal audit annual reports.

Guidance published by CIPFA in 2018 is accepted as best practice for local authority audit committees. CIPFA guidance recommends that all audit committees should "*report regularly on their work, and at least annually report an assessment of their performance*". (Audit Committees Practical Guidance for Local Authorities and Police).

The first annual report from the Scrutiny & Audit Committee was submitted to Council in September 2018 and has continued annually thereafter. The latest Scrutiny & Audit Committee Annual Report for 2021/22 was agreed by the Council at its meeting on X September 2022 (Report XXX/22).

Exceptional Events/ Concurrent Risks

During this reporting period, the Council has continued to adapt and respond to a variety of disruptions that have occurred, including the pandemic, extreme weather events, support for the Ukraine crisis and the re-settlement of Afghan families. Some services have come under immense pressure due to the varying demands, and also as a result of managing an overall increase in staff absences related to COVID-19.

Governance arrangements relating to Council and Committee decision-making have continued via remote meetings throughout the entire 2021/22 reporting period, including live-streaming and recordings via the Council's YouTube channel.

In terms of handling the pandemic, ongoing assurance has been provided by the Council's emergency management and disaster recovery governance arrangements. These have continued to be delivered through regular Bronze (operational), Silver (tactical) and Gold (strategic) meetings. Records of these meetings, which have been scaled up and down during the various 'waves' of the pandemic, are available to provide a full audit trail of decision making.

The response to the pandemic has been alongside winter weather and specifically Storm Arwen, which caused extensive damage across Angus. The impact and consequences from the storm caused extensive power outages, risks to life and property, supply chain issues, transport disruption, community and business disruption, towns and villages cut off as a result of fallen debris and an impact on so many council services and those of partner agencies. The resilience partnership and the Council's Incident Management Team co-ordinated the response over a number of days to ensure that those most vulnerable within our communities were supported.

The Council has also responded at pace to support Ukraine Refugees, hosts and other interested parties, coming through the various government schemes. This work is intensive and placing demands on many Council services and that of partners who continue to offer support with access to benefits, health services, schools, transport and wider community support.

The Council also agreed to lease ten unoccupied properties in Arbroath to enable Afghan families to be resettled in Angus. A multi-agency group was established and has been working together to discuss concerns and share information. The Council continues to participate in the national meetings which have been established with CoSLA and the Home Office to share practice and voice concerns. The Afghan families have been provided with a wide range of resettlement services including ESOL (free English lessons online) provision, supported with access to benefits, access to education for children, including transport and GP registration.

In overall terms, it is considered that the Council has continued to respond extremely well to the enormous challenges raised by the pandemic and the other exceptional circumstances that have arisen, and in a manner that has been well planned, proportionate and responsive to the circumstances. Each emergency response has been delivered in a controlled environment, with appropriate governance arrangements deployed to provide robust assurance aligned to the circumstances. Recovery and renewal plans beyond the pandemic are also being developed as an integrated part of our strategic planning arrangements.

The Governance Framework

The governance framework comprises the systems, processes, values and culture by which the Council is governed. It enables the Council to monitor progress against the outcomes set out in the Council Plan.

The governing body of Angus Council is the full Council. Some functions, including setting the annual budget and Council Tax, can only be discharged by the full Council. The following standing committees were in place during 2021/22:

- the Children and Learning Committee;
- the Civic Licensing Committee;
- the Communities Committee;
- the Development Standards Committee;
- the Policy and Resources Committee; and
- the Scrutiny and Audit Committee.

The core constitutional documents of the Council are:

- Standing Orders, which regulate the proceedings at Council meetings;
- Order of Reference of Committees, which details the Council's committees, sub committees and their associated remits; and
- Scheme of Delegation to Officers, which details the delegation to a range of appropriate officers.

All are reviewed on a regular basis to ensure they are fit for purpose and the latest version is available via the Council's website: [Standing Orders of the Council, 21 December 2020](#).

Internal Financial Control

Within the Council's overall governance framework there are specific arrangements in place as part of the system of internal financial control. This system is intended to ensure that reasonable assurance can be given that assets are safeguarded, transactions are authorised and properly recorded and material errors or irregularities are either prevented or would be detected within a timely period.

It is based on a framework of financial regulations, regular management information, administrative procedures (including segregation of duties), management supervision, delegation and accountability. Development and maintenance of the system is undertaken by managers within the Council. Controls cannot eliminate the risk of failure to achieve strategic priorities and outcomes, but the system is designed to manage risk to a reasonable level.

The Council's [Financial Regulations](#) were updated during the 2021/22 financial year.

Statutory Roles

The Council's Chief Executive is responsible and accountable for all aspects of executive management.

The Council's financial management arrangements comply in all material respects with the governance requirements of the CIPFA *Statement on the Role of the Chief Financial Officer in Local Government (2016)*. The Council's Chief Financial Officer/ Section 95 Officer

(Director of Finance) is involved in the development of all strategic and financial policy matters and has direct access to all elected members. They report directly to the Chief Executive on all matters including their statutory role. For the year under review (2021/22), the Chief Financial Officer was able to fulfil the requirements of the role through the arrangements which existed. The Director of Finance has carried out a self-assessment against the requirements of the new financial management code. The findings have identified **TO BE INSERTED**

The Council's Monitoring Officer (Director of Legal & Democratic Services) is responsible for ensuring that agreed procedures are followed and there is compliance with all applicable statutes and regulations.

Adult social work services are delivered under the direction of the Angus Integration Joint Board, established under the provisions of the Public Bodies (Joint Working) (Scotland) Act 2014. The work of the Angus Health & Social Care Partnership is overseen by the Angus Integration Joint Board (IJB). Agendas, reports and minutes of the IJB are published on the Council website. The IJB Chief Officer is a member of the Council's Corporate Leadership Team. The postholder of this position, which had been filled on an interim basis during part of 2019/20 and continuing throughout the full course of 2020/21, was filled by the same incumbent on a permanent basis in August 2021.

The Council's Chief Social Work Officer (CSWO) (Director of Children, Families & Justice) is responsible for providing effective professional advice to elected members and officers in the authority's provision of statutory social work duties. The CSWO also provides professional governance and leadership in the delivery of social work and social care services. The role of the CSWO complies with revised guidance issued by Scottish Ministers in July 2016. The CSWO's annual report details the arrangements that are in place within Angus to allow the CSWO to fulfil this role and provides assurance to elected members as to the governance of statutory social work services in Angus. The CSWO assurances cover all social work services, including those which have been delegated to the IJB. The Council's CSWO annual report for 2020/21 was considered by the Council at its meeting on 9 September 2021 ([Report 276/21 and Appendix 1](#)) and the CSWO 2021/22 annual report will be brought to the Council in Autumn 2022. The latest National Chief Social Work Officers [Annual Report](#) is also available on the IRiSS Website.

Internal Audit Service

The Council operates an internal audit service which reports directly to the Chief Executive. The in-house team is supplemented by additional IT audit input from a contractor. The service is led by the Service Leader Internal Audit, who reports on a functional basis to the Scrutiny & Audit Committee. The Service Leader Internal Audit reports in their own name, retains final edit rights over all audit reports and provides the Scrutiny & Audit Committee with an annual report on governance, risk and internal control.

The internal audit service operates in accordance with the Public Sector Internal Audit Standards (PSIAS). The most recent five-yearly External Quality Assessment (EQA) report was considered by the Council's Scrutiny & Audit Committee at its meeting on 26 January 2021 ([Report 11/21](#) refers). It confirmed compliance with the requirements of the PSIAS and made a small number of recommendations where improvements could be achieved relating to Assurance Mapping and Risk Management. The annual self-assessment undertaken in March/April 2022 confirmed that the internal audit service conforms with PSIAS.

The Counter-Fraud Team (CFT) is a specialist resource which reports to the Service Leader Internal Audit and operates within Strategic Policy, Transformation & Public Sector Reform Directorate.

Angus Council acknowledges its responsibility for ensuring the risks and negative impacts associated with fraud are managed effectively and any allegations of fraud and corruption are investigated by CFT staff in partnership with Council colleagues where appropriate. The continued work of CFT plays a key role in the Council's response to the risk of fraud and corruption. It has also played an active role in reviewing potentially fraudulent grant claims as part of the Council's response to the COVID-19 pandemic.

The team has overall responsibility for assessing and investigating allegations of fraud and corruption and for reporting findings. A self-assessment against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption confirms that the Council has adopted a response that is appropriate for its fraud and corruption risks ([Report 181/21](#) refers).

The allegations investigated during 2021/22 were non-cash related or were of sufficiently low financial value not to have had a material impact on the Council's financial standing. Report 160/22 considered by the Scrutiny & Audit Committee at its meeting on 23 June 2022, contains further detail on the work of the Counter Fraud Team. To meet the demand for counter fraud services, the temporary post in the Counter Fraud Team due to end in May 2022 has been made a permanent position.

Annual Review of the Governance Framework

The Council conducts an annual review of the effectiveness of its overall governance framework. The review is undertaken on behalf of the Chief Executive by the Corporate Governance Officers Group. This group is responsible for monitoring compliance with the principles of good governance. It also makes recommendations for additions and/ or improvements to the governance framework to reflect any changes in the way the Council does business and any new legislation affecting the Council's governance arrangements.

The annual review of the governance framework is informed by:

- annual assurances from service Directors, who are responsible for the development, maintenance and improvement of the governance arrangements within their own directorate;
- an annual assurance statement and questionnaire completed by the Chief Officer, Angus IJB;
- annual assurances from the S95 Officer, Monitoring Officer and Chief Social Work Officer;
- consideration of governance issues by the Scrutiny & Audit Committee, including internal and external audit reports, counter-fraud updates, corporate risk register updates and complaints summary reports;
- reports from other scrutiny bodies and inspectorates;
- a review of the governance statements prepared by subsidiaries and associates included in the Council's Group Accounts; and
- assurance letters received from the Chair of the IJB Audit Committee and the Chair of the AngusAlive Board.

For year 2021/22, the annual review of the governance framework has also considered the impact of the COVID-19 pandemic on Council services over that period. As part of the annual assurances sought from service Directors, there was also a requirement to provide information

in relation to any changes to normal governance arrangements as a result of COVID-19, and reflect on any good practice and areas of improvement from a service delivery perspective. During this year, some service reported an ongoing impact of pandemic but all maintained good governance with minor internal areas for improvement highlighted through this review.

The Council's Service Leader Internal Audit conducts an independent review of the Council's risk management processes, systems of internal control and corporate governance processes as part of their Internal Audit Annual Report 2020/21 (Report 157/22, Appendix 1).

Their review of 2021/22, includes the opinion that:

- "4. In my professional judgement as Service Leader Internal Audit, notwithstanding the delays caused in completing work due to the ongoing impact of the Covid-19 pandemic, lack of engagement and delays in receiving information from services, sufficient and appropriate audit procedures have been conducted and evidence gathered to support the basis and the accuracy of the conclusions reached and contained in this report. The conclusions were based on a comparison of the situations as they existed at the time against the audit criteria. The evidence gathered meets professional audit standards and is sufficient to provide senior management with the proof of the conclusions derived from the internal audit.*
- 5. In my opinion the Council has a framework of controls in place that provides reasonable assurance regarding the organisation's governance framework, effective and efficient achievement of objectives and the management of key risks, and proper arrangements are in place to promote value for money.*
- 6. The internal audit work for the year has identified a number of areas of good practice and good internal control. A number of recommendations to improve systems and controls have been made. The more material findings are highlighted later in this report.*
- 7. I have concluded that the Local Code of Corporate Governance is adequate and effective, and although some areas for improvement have been identified, the Code is complied with in all material respects."*

The conclusion from the review activity outlined above is that in 2021/22 the Council continued to demonstrate that the governance arrangements and framework within which the Council operates are sound and operating effectively, notwithstanding the ongoing challenges in relation to the COVID-19 pandemic.

Improvement Areas

The annual review process identified the following areas where improvements have been made during 2021/22, or where further improvements are planned for 2022/23 to enhance the Council's governance framework. Progress will be reported to the Scrutiny & Audit Committee. An update on the improvement actions identified in the 2020/21 Annual Governance Statement, along with new actions emerging from the 2021/22 review, was reported to the Scrutiny & Audit committee in June 2022 (Report 159/22, Appendix 1 refers).

Key matters to highlight from the annual review process are as follows:

- Angus Council, as one of the constituent bodies of the Angus Integration Joint Board and the associated Integration Scheme, along with NHS Tayside, have a legal requirement to review said Integration Scheme in accordance with the related legislation. This was considered by the Council at its meeting on 10 September 2020 ([Report 220/20](#) refers) and a project was subsequently progressed on a pan Tayside basis to review and update the Integration Scheme. The draft revised Integration Scheme was considered by the Council at its meeting on 24 March 2022 and agreed to allow for a period of consultation prior to consideration for final approval in June 2022 ([Report 101/22](#), [Appendix 1](#) and [Appendix 2](#) refer), before submission to Scottish Ministers.
- The Equalities Impact Assessment (EIA) and Fairer Scotland Duty guidance and template have now been updated. Training is available to staff via the online e-learning system. Training is scheduled to take place later this year (2022) with the new Elected Councillors.
- The [Risk Management Strategy](#) bi-annual review commenced in March 2021, but was put on hold due to COVID impacting availability of resources. Work has restarted and is due to be completed by the end of 2022. It is planned to include an assessment of Risk Appetite as part of this review process. This will be reviewed by the Scrutiny & Audit Committee during 2022 and approval will thereafter be requested at the next available Policy & Resources Committee.
- Improvements in relation to Health & Safety are being progressed. The Health and Safety Policy has been updated to reflect more detail on roles, responsibilities and operational arrangements, meeting the statutory responsibilities. A detailed operational plan is in place for the team who have been allocated to work and support services, specifically those with identified risks. The health and safety digital management system is now in the process of being rolled out to all services. This will improve our reporting and importantly monitoring of near misses and incidents being reported. Reporting can be done from site via mobile app and this has improved useability and accessibility. Work continues to develop other modules on the digital system, which will enhance our audit and investigation functions.
- Having identified need to update the Council's Whistleblowing Policy, the Council has now completed its review and the revised Whistleblowing Policy and Whistleblowing Process was agreed by the Policy & Resources Committee at its meeting on 8 March 2022 ([Report 86/22](#), [Appendix 1](#), and [Appendix 2](#) refer).
- Angus Council was awarded its annual PSN certificate of compliance in August 2021. A paper was approved by the Corporate Leadership Team on 22 March 2022 for the Council to review and implement the new Cyber Essential Plus certification in addition to the PSN certificate. The work will commence to review the implications of Cyber Essentials Plus on business operations in May 2022.
- All emergency and business continuity plans are reviewed annually. Latest versions are on the Resilience Direct Portal and where applicable on the Angus Council website. Angus Council also remains an active and participatory member of the Regional Resilience Partnership, and Tayside Local Resilience Partnership (the Council's Chief Executive is the current Chair) in the planning and preparation for the response to and recovery from major incidents and emergencies. This has played a

significant part in the Council's response to the COVID-19 pandemic and other incidents where a co-ordinated response is required.

- It was agreed by the Special Arrangements Committee, at its meeting on 26 May 2020, to review the current governance arrangements in relation to the Council's Standing Orders, the Order of Reference of Committees and the Scheme of Delegation to Officers by establishing a short life Member and Officer Working Group ([Report 142/20](#) refers). The Director of Legal & Democratic Services received approval to put this work on hold until after the May 2022 Elections where a report will come forward setting out the new timeline ([Information Report February 2022](#)).
- Further work was undertaken during 2021/22 to review and update all the operational sub-delegations required to ensure that across the Council these reflect the current management structure and operational arrangements. The Angus Health & Social Care Partnership scheme, which has been progressed during the year, is now well developed and planned to be finalised by July 2022.
- The Public Records (Scotland) Act 2011 (PRSA) requires authorities to prepare and implement a Records Management Plan (RMP). The original RMP for Angus Council and Angus Licensing Board was approved by the Keeper of the Records of Scotland in March 2017. The last Progress Update Review was submitted in November 2021 and the next submission date is June 2022. The recent PRSA Assessment Team's report, concluded that: "Based on the progress update assessment the Assessment Team considers that Angus Council and Angus Licensing Board continue to take their statutory obligations seriously and are working hard to bring all the elements of their records management arrangements into full compliance with the Act and fulfil the Keeper's expectations".

The previous PRSA review process identified that a lack of space may inhibit or prevent archive material from Angus Council being stored in the archive collection. It has been highlighted in previous years that options to address this risk are being discussed with ANGUSalive. This continues to be the position while ANGUSalive consider these long term storage requirements, and this is aligned with the ANGUSalive Transformation programme. In the interim, archive storage arrangements continue to be actively managed in an appropriate manner.

- Data breaches logged in 2021 totalled 139 which was an increase from 2020 when 122 breaches were logged, and 2019 when 99 breaches were logged. There was also an increase in the number of breaches which were reported to the Information Commissioners Office (ICO). This number increased to seven in 2021 compared to three in 2020 but was equivalent to the seven reported in 2019. The ICO made recommendations in all cases responded to, without taking any formal action. All services involved in each breach have taken on board the recommendations and have improved their processes and procedures. Regular reports continue to be provided for the Corporate Leadership Team (CLT) on Data Protection/ Information Governance/ Freedom of Information compliance.

The 2021/22 governance review has identified the continued need to ensure that data protection training is completed comprehensively by all Council staff and therefore a new action for 2022/23 has been raised.

- It was previously identified that data breaches emerging from Angus Health & Social Care Partnership (AHSCP) should be reported via Angus Council or NHS Tayside (not directly from AHSCP). The action has now been addressed to ensure that appropriate procedures are in place to address this, along with similar policy related matters.
- Improvements to update both the Council's complaints handling system and handling of Freedom of Information (FOI) requests using the Granicus (previously known as Firmstep) system was completed during 2020/21. Some issues with the system have been identified since its implementation, and improvement action is being taken to address the current situation.
- The Council operates the Scottish Public Service Ombudsman's (SPSO) complaints handling procedure for local authorities. During 2021/22, 84.6% of stage 1 complaints and 31.6% of stage 2 complaints were closed within the target timescales set by SPSO guidance (5 working days for stage 1, 20 working days for stage 2). Further detail is included in Report 166/22, considered by the Scrutiny & Audit Committee on 23 June 2022.
- The 2020/21 annual governance review highlighted that concerns had been raised by internal audit relating to the performance of the Environmental Health Service in 2019. One action was outstanding at that time which related to rationalising the content of current guidance, policies and procedures. This action has now been completed.
- This year's governance review of the internal audit report has identified limited or no assurance that controls are adequate in relation to IT User Access Administration (IDOX). Actions to address the weaknesses identified have been agreed and their implementation will be monitored by the internal audit team.
- The 2019/20 annual governance review also highlighted that Internal Audit had identified limited assurance in an audit relating to 'Climate Change Targets 2020'. The outstanding 'Climate Change Targets 2020' action has now been completed.
- The 2019/20 annual governance review also highlighted that Internal Audit had identified IT Interfaces as an area where limited assurance was provided. The limited assurance opinion results from there being a lack of documentation of the design and operation of interfaces for Council systems, as well as a reliance on the knowledge of a small number of staff for their successful day to day operation. An audit action plan for this item was established, and several actions remain outstanding; these are all due for completion by 30 June 2022.
- An improvement action in relation to the end to end process for the billing and collection of payments for adult social care was previously identified. This action continues to be in progress with an implementation plan being worked on to improve the process.
- The Scrutiny & Audit Committee carried out a self-assessment against the 'Good Practice and Evaluating the Effectiveness' checklists in the CIPFA Audit Committee guidance at a 'virtual' workshop held on 10 March 2022. A summary of the findings at the workshop are included in Appendix 1 of the annual report from the Scrutiny & Audit Committee to full Council (Report **XXX/22**, Appendix 1 refers).

A new action has been created to cover the improvement actions identified during the 10 March 2022 workshop, including three outstanding actions which are being carried forward. Progress with these actions will be monitored by the Scrutiny & Audit Committee.

- The Council's 2019/20 and 2020/21 Annual Governance Statements both contained specific sections relating to the former Lochside Leisure Centre. The matters arising are all now either progressed to a conclusion or ongoing as part of business as usual activity.
- The Council's latest Best Value Audit was carried out by Audit Scotland during the period between November 2021 to April 2022. The report was published by the Accounts Commission on **INSERT DATE** and can be found using this **link**. **INSERT SUMMARY WORDING REFLECTING OVERALL FINDINGS**. The improvement action plan emerging from the findings (containing **X** actions) will be progressed with the relative priority.
- In terms of the Council's ongoing emergency response to the COVID-19 pandemic, the Council's Service Leader Internal Audit has included the following observations from audit work in the 2021/22 Internal Audit Annual Report:
 - *"The Council plan is aligned with the change programme and the budget. Significant review has taken place during the year to ensure the impact of Covid-19 has been recognised as fully as possible."*
 - *"Governance changes to address the Covid-19 impact at both officer and member levels were well planned, proportionate, and reviewed and amended appropriately throughout the year."*
 - *"Covid-19 recovery work is ongoing at both a strategic and operational level. Officers are working to ensure that these are linked and that recovery is also linked to on-going activity within services and at a corporate level, e.g. through the Change Programme."*

Some Directors have identified operational improvements to governance arrangements within their own service, but these are not considered material enough to affect the overall assessment of the Council being generally compliant with the requirements of our **Local Code of Corporate Governance**.

Progress with the actions to address the ongoing and new improvement areas included in this annual governance statement will be reported to the Scrutiny & Audit Committee at its meetings in January and June 2023.

Conclusion

Angus Council is committed to achieving good standards of corporate governance to ensure that:

- resources are directed in accordance with agreed policy and according to priorities;
- there is sound and inclusive decision making; and

- there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

The Corporate Governance Officers Group, on behalf of the Chief Executive, maintains an overview of all aspects of the Council’s governance framework and is focussed on ensuring that good standards of governance are maintained as the Council works to fulfil its ambitions as set out in the Council Plan.

The Council recognises the contribution effective governance makes to the stewardship of resources and the achievement of outcomes. The maintenance of effective governance arrangements is particularly important during times of change, as the organisation becomes leaner and adopts new ways of delivering services.

Certification

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of Angus Council’s systems of governance and that the annual review demonstrates compliance with the core principles of good governance.

Margo Williamson		Councillor Beth Whiteside
Chief Executive		Leader of the Council